

CIA HISTORICAL REVIEW PROGRAM
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DISPATCH NO. []-511

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CLASSIFICATION

TO : Chief, WHD

DATE 15 March 1954

FROM : Chief of Station, []

INFO: LINC

SUBJECT: GENERAL— KUGOWN Operations

SPECIFIC— Anti-Guatemalan Activities

References: (a) [] 476
(b) [] 510

1. Attachments 1 through 8 are articles published by the Liga Anti-Comunista de Costa Rica between 11 February and 9 March 1954 concerning Communism in Guatemala or the OAS conference. Similar material was reported upon in reference (b).
2. Attachments 9 through 43 are local and/or non-attributed articles concerning Communism in Guatemala or in the hemisphere.
 - a. Attachments 9 through 20 concern the controversy caused by the appeal of the Guatemalan legislature for the Costa Rican legislature for a vote of solidarity. Attachments 9, 10, and 11 are an open letter from the Communist front CGTC to the National Assembly demanding that the vote of solidarity be given. It should be noted that El Diario de Costa Rica and La Nacion utilized their headlines to clearly label the letter as Communist-inspired. La Republica which played down the story, did not label it. HURDLER saw the Director of La Republica on 8 March and obtained his promise to label Communist appeals as such in the future. As will be seen from Attachments 12, 13, and 14 the motion caused considerable debate in the Assembly, primarily because of an attempt by the opposition to discredit the majority handling of the matter, rather than because of any fundamental difference of opinion as to whether solidarity should be voted. The debates served to keep in the public eye the fact that Guatemala is a Communist country. Attachments 15, 16, and 17 are reprints from La Nacion, El Diario and La Republica of the text

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of the non-committal message passed by the National Assembly. Attachment 18, an editorial from La Republica criticizes the Assembly's motion on the grounds that it shows ingratitude to the memory of Col. ARANA (who helped the FIGUERISTAS with arms and ammunition during the 1948 revolution), and because it fails to take a strong stand against the heirs of his assassins. Attachment 19 is a denial by Lic. Otto CORTES, President of the Foreign Relations Committee of the National Assembly that the motion passed was one of solidarity with Guatemala, which appeared in La Prensa Libre on 13 February. Attachment 20 is a similar denial by Gonzalo FACIO, President of the National Assembly which appeared in La Republica on 14 February. Both these are replies to an attack on the assembly's motion by Victor VARGAS Quesada, local conservative writer, which appeared in El Diario on 13 February.

- b. Attachment 21 is a declaration by the Nicaraguan Ambassador to Costa Rica, published in El Diario on 11 February, that the relations between Guatemala and Nicaragua had been normalized after the incident caused by the Guatemalan declarations on 29 January. The Ambassador reiterates Nicaragua's complete innocence.
- c. Attachment 22 is an interview with Cesar J. MERIDA, First Secretary of the Guatemalan Embassy in San Jose, published in Prensa Libre on 12 February 1954, in which he denies that Guatemala is Communistic.
- d. Attachment 23, an editorial from La Republica of 14 February 1954 is typical of the lack of comprehension by the local liberal elements of the Guatemalan problem. The article states that the question of Communist domination in Guatemala is still unproven and should be studied carefully and not in a state of excitement. The article goes on to state that this cannot be done now because of the confusion of the United Fruit Company question with the question of Communism, and that they are different and distinct problems. The writer states that Guatemala is perfectly within its rights as a sovereign nation to expropriate the United Fruit

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Company properties, but does concede that the owners should be paid on the basis of a negotiated agreement. The writer also concedes that if the issue of Communist domination in Guatemala is proven, then collective action by the other nations of the hemisphere would be in order and could not be termed intervention. Unfortunately, prejudice against the United Fruit Company is so great among Costa Rican liberals, that they are unable to see that the action of the Guatemalan government in the United Fruit Company case is the result of Communist agitation. They themselves have thus far insisted that Costa Rica should settle its differences with United Fruit in an orderly and legal fashion, but appear to sympathize with the procedures adopted in Guatemala utilizing the old rule of the end justifying the means.

- e. Attachment 24 is a reprint from an article which appeared in CEUAGE, stating that Costa Rica has allied itself with Guatemala, and has become that Communist state's first satellite. This article was reprinted in El Diario on 14 February. It is needless to say that this type of reckless accusation (believed by [] to be unfounded on the basis of present evidence) merely injures CEUAGE's local prestige.
- f. Attachment 25 is a reprint from Excelsior of Mexico City article which appeared in La Nacion on 14 February. The article states that Guatemala has become a Communist state.
- g. Attachment 26 is an article by Marshall F. BRANNEL, NBC correspondent who was recently expelled from Guatemala, denouncing that government and suggesting that the U.S. apply economic sanctions.
- h. Attachments 27 and 28 are statements by the Guatemalan government which appeared in La Hora on 17 February. One states that the Guatemalan government will make charges of intervention against the U.S. at the OAS conference. The other claims that the Costa Rican Assembly did announce its solidarity with the Guatemalan regime.
- i. Attachment 29 is a story inspired by HURDLER which speculates that the recent outcropping of counterfeit travellers checks in Costa Rica and neighboring countries

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might have its origins in official Guatemalan banking circles. This accusation is not true since subsequent investigation determined that the counterfeit checks were being produced in Colombia.

- j. Attachment 30 is a news story from La Hora on 20 February, in which Bolivian Vice President Hernan SILES Suezo declared his solidarity with the Guatemalan regime, apparently in answer to a request similar to the one received by the Costa Rican Assembly.
- k. Attachment 31 is an editorial from Prensa Libre of 23 February commenting favorably on the Speech of Assistant Secretary of State CABOT in which he stated that while the U.S. is concerned over Guatemala, it will continue to respect national sovereignty.
- l. Attachments 32 and 33 are two of a series of three articles entitled "Amenaza Comunista A Las Americas" by Joseph U. HINSHAW, which were published in La Nacion on 23, 24 and 25 February.
- m. Attachment 34 is the text of the speech made by Ismael GONZALEZ Arevalo, the new Guatemalan Ambassador to Costa Rica upon presentation of his credentials, published in La Nacion on 26 February 1954.
- n. Attachment 35 is a Prensa Libre story dated 26 February citing Guatemalan government interference with the entry into that country of foreign priests.
- o. Attachment 36 is an interview published in the Diario on 28 February in which Foreign Minister TORIELLO denies that Guatemala has a Communist government.
- p. Attachment 37, an article by Ruben VILLATORO, a leader of the non-Communist Union de Trabajadores de Guatemala, accusing the government of resorting to violence and repression, was printed in La Nacion on 28 February.
- q. Attachment 38 is a reprint of an article from El Mercurio of Santiago, Chile, which outlines the growth and influence of the Guatemalan Communist Party. The article appeared in the Diario on 3 March 1954.
- r. Attachment 39 is an article from La Republica of 6 March stating that the Alianza de Mujeres Costarricenses had sent a greeting to the new Guatemalan Ambassador and to his country.

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- s. Attachment 40 is an article from Prensa Libre of 8 March consisting of an interview with Sidney GRUSON, New York Times correspondent who was recently expelled from Guatemala. As is to be expected, GRUSON is most anti-Guatemalan.
 - t. Attachment 41 is an editorial from Prensa Libre, 8 March, praising the U.S. anti-Communist resolution and lamenting the opposition of Guatemala. Of interest is the statement that non-intervention should be set aside in case of Communist intervention in a hemisphere country.
 - u. Attachment 42 is a statement by Marshall BANNELL that foreign Communists are constantly arriving in Guatemala secretly. The article appeared in La Nacion of 9 March 1954.
 - v. Attachment 43 is an article originating in Guatemala which appeared in El Diario on 10 March. The article states that ex-President AREVALO was lying when he stated in Bolivia that only one Guatemalan cabinet minister is a Communist.
 - w. Attachment 44 consists of a number of press service releases on the political situation in Guatemala which appeared in the local newspapers.
- 3. Attachment 45 consists of a number of articles of local origin concerning the problem of Costa Rican attendance at the OAS conference. The difference of opinion was generally along political lines, with the conservative supporting attendance and the FIGUERISTAS opposing it. Generally speaking both groups support any measures to be taken by the conference against Communism, although there is at least as much interest in obtaining action against colonialism and economic concessions. The Figueristas are also hopeful that some action may be taken against the dictatorships.
 - 4. Attachment 46, an editorial from La Republica, 12 February, speculates whether the replacement of Assistant Secretary of State for Latin American Affairs John Moors Cabot, is not an indication of official displeasure with his handling of the Caracas problem where the U.S. may be faced with the complex problems of colonialism and economic demands.
 - 5. Attachment 47, an editorial from La Republica, 26 February, by Mario GARCIA Arocha, sarcastically predicts the failure of the OAS conference primarily on the economic question. The writer is a Venezuelan exile and Accion Democratica member.

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6. Attachment 48, another editorial by GARCIA Arocha, published in La Republica on 10 March concerns the problem of the conference's solution of the Communist threat. GARCIA declares that repression is at best a poor measure, and that the only way to eliminate the threat of Communism is by improving the standard of living of the masses. He states that the OAS conference, however, will not try to effect the latter solution but will "maintain the status quo" which is made up mostly of feudal and tyrannous governments which permit foreign capital to exploit their peoples.
7. Attachment 49 consists of a number of press service releases printed in local papers covering the conference.
8. Attachment 50 is a reprint of an article from Patria Nueva of El Salvador published by La Hora on 3 March. The article insinuates that Costa Rica is supporting the Guatemalan government.
9. Attachment 51 consists of a number of articles published locally concerning the charges made against Costa Rica by the Dominican Republic that the former is becoming a base for Communist activities in Central America. [] has found no evidence to support these charges, which are believed to have been based on information provided the Dominican Government by U.S. newspaperman Stanley ROSS. As you know, ROSS has a reputation for fabrication.
10. Attachments 52 and 53 are editorials from La Republica of 19 and 27 February, expressing complete sympathy for the ousted Communist government of that colony and condemning British imperialism. In both articles the hope is expressed that the OAS conference will take some action against imperialism, and presumably to reinstate the Communists in office in British Guiana.
11. Attachment 54 is an article from La Hora of 22 February on the interview given by Gonzalo FACIO to the Salvadoran paper, Diario de Hoy. FACIO reportedly stated that it is suicide for the Latin American countries to place their reserves at the disposal of the U.S. economy and not at their own disposal for the purpose of developing their national economies.
12. Attachment 55 is an article from La Republica of 25 February announcing the protest of the Communist front Alianza de Mujeres Costarricenses against the projected military pact between the United States and Nicaragua. As usual, this article was published without indicating that the protest emanated from a Communist group.

Encl. 55 articles
16 March 1954

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